

FINAL BILL REPORT

HB 1569

C 45 L 09
Synopsis as Enacted

Brief Description: Establishing local public works assistance funds.

Sponsors: Representatives Liias, O'Brien, Hope, Sells, Dunshee, Kagi, McCoy, Morrell and Ormsby.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background:

Counties are the general purpose units of local government that govern unincorporated areas of the state and provide some services and functions within incorporated cities and towns. Counties provide a variety of administrative services, including maintaining public records, providing criminal justice services, building and repairing roads, and conducting elections. Counties also assess property and collect taxes. With some exceptions, county legislative authorities, the governing bodies of counties, consist of three-member elected boards of commissioners.

The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. The GMA directs jurisdictions obligated by mandate or choice to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements. Comprehensive plans must address specific planning elements, including a capital facilities plan element, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through locally adopted development regulations.

Summary:

County legislative authorities may establish local public works assistance funds (Funds) for the purpose of funding public works projects located wholly or partially within the county. Monies may be deposited in Funds from existing revenue sources of the county. Monies deposited in Funds may only be used:

- to make loans to the county and to other local governments, as defined, for funding qualifying public works projects; and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- for costs incurred in the administration of Funds.

A "public works project" is defined as a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems and solid waste facilities, including recycling facilities.

No more than 50 percent of the monies loaned from a Fund in a calendar year may be loaned to the county of origin. At least 25 percent of the monies anticipated to be loaned from a Fund in a calendar year must be made available for funding public works projects in cities or towns. Additionally, no more than 1 percent of the average annual balance of a county's Fund, including interest earned on balances from the Fund, may be used annually for administrative costs.

Counties, in consultation with cities and towns within the county, may make loans to qualifying local governments from Funds to assist local governments in funding public works projects. Counties may require terms and conditions and may charge interest on loans as deemed necessary or convenient. Counties may not pledge any amount greater than the sum of money in their Fund plus money to be received from the payment of the debt service on loans made from that Fund. Money received from local governments in repayment of loans must be paid into the Fund of the lending county for permitted uses.

Prior to receiving monies from an established Fund, a local government applying for financial assistance must demonstrate to the lending county:

- utilization of all local revenue sources that are reasonably available for funding public works projects;
- compliance with applicable requirements of the GMA; and
- consistency between the proposed project and applicable capital facilities plans.

County legislative authorities utilizing or providing money from a Fund must develop a prioritization process for funding public works projects that gives priority to projects necessary to address public health needs, substantial environmental degradation, or projects that increase existing capacity necessary to accommodate projected population and employment growth. This prioritization process must be:

- completed collaboratively with public works directors of local governments within the county;
- documented in the form of written findings produced by the county; and
- revised periodically according to a schedule developed by the county and the public works directors.

Additionally, legislative authorities providing funding to local governments through a Fund must consider, through a competitive application process, certain factors in assigning a priority to and funding a project. Examples of those factors include:

- whether the local government applying for assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

- whether the project is critical in nature and would affect the health and safety of a great number of citizens; and
- the additional jobs estimated to be achieved by funding the project.

County legislative authorities providing funding for public works projects from a Fund must keep proper records of accounts and are subject to audit by the state auditor.

Votes on Final Passage:

| | | |
|--------|----|---|
| House | 97 | 0 |
| Senate | 45 | 1 |

Effective: July 26, 2009